

DR NKOSAZANA DLAMINI-ZUMA LOCAL MUNICIPALITY



SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) 2019/20 FY

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1. Introduction

The Municipal Systems Act 32 of 2000 Section 25 and Section 53 (c) of the Municipal Finance Management Act requires that the municipality must develop a Performance Management tool which is commensurate with its resources and circumstance. The Service Delivery and Budget Implementation Plan (SDBIP) for 2019/20 is developed as and implementation tool of the five- year municipal strategic document – the IDP. The SDBIP has a positive implication on service delivery as it contains plans emanating from the IDP which are to be implemented over one year. It enables monitoring and evaluation to occur as its implementation runs over a period of 1 year.

The IDP and Budget for the period: 2019/20 has been adopted by Council on the 29th May 2019. The development of the SDBIP 2019-2020 had taken into account the Objectives, Indicators and Targets as encapsulated in the draft operational plan that was submitted in March 2019.

The SDBIP takes into cognisance the following:

- Indication of monthly revenue projections by source
- Quarterly expenditure projections
- Projection of Service Delivery targets by all departments
- Departmental performance indicators

The 2019/20 Draft SDBIP 2018-2019 was presented to Council for noting on the 29th of March 2019 and again on the 31st of May 2018 and was further refined until its final approval by Mayor on the 27th of June 2019 which was still within 28 days of final budget approval in line with the requirements of the MFMA. Attached are departmental operational plans/ SDBIPs with tables reflecting monthly revenue projections by source. It is worth noting that all Heads of Departments have signed this binding document which will form part of their performance agreements with the municipality.

DR NDZ FINAL BUDGET 2019/2020 FY TOTAL BUDGET SUMMARY					
DESCRIPTION	2018/2019 Original Budget	2018/2019 Adjustment Budget	Budget Year 2019/2020	Budget Year +1 2020/2021	Budget Year +2 2021/2022
REVENUE					
PROPERTY RATES	-37 213 222	-38 154 241	-39 361 096	-41 486 595	-43 726 871
SERVICE CHARGES	-3 731 221	-2 789 732	-3 799 676	-4 004 858	-4 221 121
LICENCES AND PERMITS	-1 198 124	-1 395 708	-998 133	-1 052 032	-1 108 842
FINES	-412 316	-426 013	-597 476	-629 740	-663 746
GOVERNMENT GRANTS AND SUBSIDIES	-146 816 000	-153 545 121	-162 556 000	-168 536 000	-179 856 000
INTEREST ON INVESTMENTS	-7 358 706	-7 358 706	-7 741 359	-8 159 392	-8 599 999
OTHER REVENUE	-35 579 117	-6 812 904	-3 151 311	-3 321 481	-3 500 841
TOTAL REVENUE EXCLUDING INEP	-232 308 706	-210 482 426	-218 205 050	-227 190 099	-241 677 420
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
Integrated National Electrification Programme	-13 540 000	-13 540 000	-8 000 000	-9 204 000	-15 000 000
TOTAL INEP	-13 540 000	-13 540 000	-8 000 000	-9 204 000	-15 000 000
TOTAL REVENUE INCLUDING INEP	-245 848 706	-224 022 426	-226 205 050	-236 394 099	-256 677 420
OPERATING EXPENDITURE					
EMPLOYEE RELATED COSTS	55 206 858	55 493 652	63 964 945	67 345 774	70 940 286
COUNCILLORS REMUNERATION	11 991 367	11 991 370	12 627 427	13 309 309	14 028 011
GENERAL EXPENDITURE	46 076 436	51 587 753	46 142 481	49 035 753	53 904 181
PROGRAMMES	18 040 822	14 832 258	14 285 587	15 057 009	15 870 087
REPAIRS AND MAINTENANCE	10 350 202	10 192 172	9 403 584	9 858 678	10 391 046
PROVISIONS	26 057 768	24 219 683	41 614 976	43 646 060	46 002 948
	-	-	-	-	-
TOTAL OPERATING EXPENDITURE	167 723 453	168 316 888	188 039 000	198 252 583	211 136 560
SURPLUS/DEFICT	-64 585 253	-42 165 538	-30 166 050	-28 937 516	-30 540 860
CAPITAL EXPENDITURE					
INTERNAL CAPITAL BUDGET	37 916 240	45 621 225	41 495 000	35 266 238	37 170 615
MUNICIPAL INFRASTRUCTURE GRANT	26 666 000	26 666 000	27 149 000	28 486 000	30 409 000
TOTAL CAPITAL EXPENDITURE EXCLUDING INEP	64 582 240	72 287 225	68 644 000	63 752 238	67 579 615

OTHER GRANTS					
INEP	13 540 000	13 540 000	8 000 000	9 204 000	15 000 000
TOTAL	13 540 000	13 540 000	8 000 000	9 204 000	15 000 000
TOTAL OPEX & CAPEX	232 305 693	240 604 113	264 683 000	271 208 820	293 716 174

Monthly Revenue Projections

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Revenue by Vote	-															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		348 53	800 3	800 3	900 3	900 3	312 45	898 5	898 5	209 35	898 5	898 5	898 5	758 178	772 188	750 200
Vote 3 - Corporate Services		-	-	-	-	-	50 4	-	-	-	-	-	50	100 9	105 9	111 10
Vote 4 - Community Services		444 10	444	444	444	444	101 10	444	444	444 7	444	444	514	055 29	544 28	044 30
Vote 5 - Public Works and Basic Services		927	-	-	-	-	873	-	-	730	-	-	-	530	486	409
Vote 6 - Planning and Development		25	500	20	20	20	20	30	20	25	30	30	22	762	277	292
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		744 64	744 4	264 4	364 4	364 4	356 60	372 6	362 6	408 43	372 6	372 6	484 6	205 218	184 227	605 241
Expenditure by Vote to be appropriated	-															
Vote 1 - Executive and Council		149 2	149 2	149 2	149 2	149 2	149 2	149 2	149 2	149 2	149 2	149 2	149 2	784 25	177 27	644 28
Vote 2 - Budget and Treasury		976 4	976 4	976 4	976 4	976 4	976 4	976 4	976 4	976 4	976 4	976 4	986 9	724 64	002 68	675 71
Vote 3 - Corporate Services		031 2	031 2	031 2	031 2	031 2	031 2	031 2	031 2	031 2	031 2	031 2	031 2	370 24	792 25	184 31
Vote 4 - Community Services		772 2	772 2	772 2	772 2	772 2	772 2	772 2	772 2	772 2	772 2	772 2	793 2	286 33	083 35	867 35
Vote 5 - Public Works and Basic Services		882 2	882 2	882 2	882 2	882 2	882 2	882 2	882 2	882 2	882 2	882 2	882 2	581 34	448 36	417 38
Vote 6 - Planning and Development		441	441	441	441	441	441	441	441	441	441	441	441	294 5	042 5	425 5
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		251 15	251 15	251 15	251 15	251 15	251 15	251 15	251 15	251 15	251 15	251 15	283 20	039 188	545 197	212 211

Surplus/(Deficit) before assoc.		49349	(10507)	(10987)	(10887)	(10887)	10545	(8879)	(8889)	15728	(8879)	(8879)	(13799)	16730	63929	39330
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	49349	(10507)	(10987)	(10887)	(10887)	10545	(8879)	(8889)	15728	(8879)	(8879)	(13799)	16730	63929	39330

References
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand																
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Works and Basic Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - Executive and Council		-	-	-	150	-	250	-	-	212	-	-	(0)	612	487	513
Vote 2 - Budget and Treasury				85				100			118		-	303	319	337
Vote 3 - Corporate Services				150			100				162		0	412	435	458
Vote 4 - Community Services			2										2	7	5	6
Vote 5 - Public Works and Basic Services		3	3	5	4	4		5	4	4	5	5	11	59	56	60
Vote 6 - Planning and Development		500	500	039	439	939	100	939	939	939	439	439	055	266	561	000
Vote 7 - [NAME OF VOTE 7]					60					60			-	120	126	133
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	3	5	5	4	5		6	5	5	6	5	13	68	63	67
Total Capital Expenditure	2	3	5	5	4	5		6	5	5	6	5	13	68	63	67
		500	500	914	949	239	550	539	439	211	519	439	846	644	752	580

References
1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

Check Multi-Year Capital Expenditure (A5)	-	-	-
Check Single-Year Capital Expenditure (A5)	-	-	-
Check Total Capital Expenditure (A5)	-	-	-

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2019/20												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash Receipts By Source															
Property rates	200 ¹	800 ¹	800 ¹	500 ²	500 ²	700 ²	700 ²	900 ²	800 ²	500 ²	800 ²	971 ¹	171 ²⁸	692 ²⁹	31 273
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	125	180	180	275	275	275	275	275	275	150	275	287	850 ²	803 ²	2 955
Service charges – other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	95	95	95	95	95	95	95	95	95	95	95	15	064 ¹	121 ¹	1 182
Interest earned - external investments	648	650	650	650	650	670	670	670	670	648	648	519	741 ⁷	159 ⁸	8 600
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	15	15	15	15	15	17	27	17	15	20	20	15	207	267 ¹	282
Licences and permits	83	83	83	83	83	83	83	83	83	83	83	83	998	052	1 094
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	704 ⁶⁷	–	–	–	852 ³⁷	–	–	–	852 ³⁷	–	–	–	407 ¹⁴³	254 ¹⁴⁹	164 447
Other revenue	142	142	142	142	142	142	142	142	142	142	142	33	595 ¹	681 ¹	1 771
Cash Receipts by Source	012 ⁷⁰	965 ²	965 ²	761 ³	613 ⁴¹	983 ³	993 ³	183 ⁴	932 ⁴¹	638 ³	064 ⁴	923 ²	033 ¹⁸⁶	030 ¹⁹⁴	211 604
Other Cash Flows by Source															
Transfer receipts - capital	736	800 ²	146 ²	870 ²	714 ²	700 ²	390 ¹	865	875 ²	832 ²	221 ⁵	0	149 ²⁷	486 ²⁸	30 409
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	345	–	–	–	–	–	345	364	383
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	747 ⁷⁰	765 ⁵	111 ⁵	631 ⁶	327 ⁴⁴	683 ⁶	728 ⁵	048 ⁵	807 ⁴⁴	470 ⁶	285 ⁹	923 ²	527 ²¹³	880 ²²²	242 396
Cash Payments by Type															
Employee related costs	569 ⁴	869 ⁴	869 ⁴	869 ⁴	788 ⁷	788 ⁷	869 ⁴	869 ⁴	869 ⁴	869 ⁴	869 ⁴	869 ⁴	965 ⁶³	251 ⁶⁷	69 882
Remuneration of councillors	971	960	960	960	960	771 ¹	960	200 ¹	971	971	971	971	627 ¹²	309 ¹³	14 028
Finance charges	35	35	35	35	35	35	35	35	35	35	35	35	425	448	472
Bulk purchases - Electricity	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	384	384	384	384	384	384	384	384	384	384	384	384	604 ⁴	853 ⁴	5 115

Contracted services	8231	8231	8231	8231	6852	2983	2983	2983	2983	2983	2983	4514	21434	53535	37454
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	159	159	159	159	159	159	159	159	159	159	159	159	9051	0082	2116
Other expenditure	8651	8651	8651	2232	2232	2232	2232	2232	2232	2232	2232	7875	16629	84730	36513
Cash Payments by Type	8069	09410	09410	45210	23414	65815	92811	16812	93911	93911	93911	65716	907146	250154	165579
Other Cash Flows/Payments by Type															
Capital assets	2204	2204	7204	7205	4205	7205	7205	2206	7205	2207	2207	5216	64468	75263	67580
Repayment of borrowing	65	65	64	64	64	64	64	64	64	641	64	651	7718	3709	171
Other Cash Flows/Payments	-	-	650	650	-	900	900	-	900	2001	900	9001	0008	2049	15000
Total Cash Payments by Type	09114	38014	52915	88716	71819	34222	61218	45218	62318	42320	12320	14225	321224	576227	248329
NET INCREASE/(DECREASE) IN CASH HELD	65656	614(8)	417(10)	256(10)	60924	659(15)	884(12)	404(13)	18426	953(13)	839(10)	218(22)	795(10)	696(4)	(5934)
Cash/cash equivalents at the month/year begin:	82866	484123	869114	452104	19694	805118	146103	26390	85976	043103	09089	25178	82866	03356	51337
Cash/cash equivalents at the month/year end:	484123	869114	452104	19694	805118	146103	26390	85976	043103	09089	25178	03356	03356	33751	45403

References
1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

5.CONCLUSION

SDBIP AS THE MONITORING TOOL FOR THE ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

PMS Framework/Policy is in place and was approved by Council on the 12th December 2018 and have been reviewed again by Council the 24th January 2019 to incorporate the following very critical clauses:

Section 7.6 (Evaluation Process) (h) of the PMS Framework Policy and Section 12.3.1 & Section 12.3.2 (Management of Evaluation Outcomes) of the Performance Contracts of Senior Managers.

- Negative audit outcomes i.e. disclaimed audit opinion, adverse audit opinion and qualified audit opinion shall be regarded as poor performance and the Municipal Council shall not authorise the payment of performance bonuses to an Employee (Senior Manager) in the event of a negative audit outcome.
- As part of consequence management, the Municipal Council shall not authorise the payment of performance bonuses to Senior Managers who will be found after an investigation by the Municipal Public Accounts Committee (MPAC) to be responsible for the Unauthorised, Irregular, Fruitless and Wasteful Expenditure.

The Audit and Performance Audit Committee APAC reviews quarterly performance reports and performance reports are further submitted to Council Committees and Council as legislated. The municipality is in a process of developing the 2019/20 Performance Agreements for all five Senior Managers thereafter these agreements will be forwarded to the Provincial department responsible for Cooperative Governance and Traditional Affairs before the end of July 2019. The municipality adheres to the legal prescripts in relation to the planning, reporting timelines, development, submission and publication of performance information (SDBIP, Quarterly reports, Mid Term Performance assessment reports, Annual report, Oversight reports and Section 56 Performance Agreements.

The following Back to Basics principles have been institutionalized within the Performance Management Framework, where the IDP Objectives and SDBIP are aligned to the following principles.

- Putting People first
- Delivery Basic Services
- Good Governance
- Sound Financial Management
- Building Capacity

